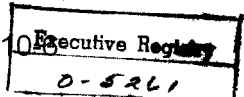


CONFIDENTIAL**Office Memorandum • UNITED STATES GOVERNMENT**

TO : Budget Officer
Personnel Officer
FROM : General Counsel
SUBJECT: Overseas Allowances and Benefits

DATE: 1 July 1949

1. Up through 30 June of this year, overseas allowances to vouchered employees have been paid in accordance with regulations prescribed by the Secretary of State under the authority of Executive Order No. 10011, as provided for in Section 204 of Public Law 491 - 80th Congress (Independent Offices Appropriation Act, 1949). Inasmuch as Section 204 was a general provision in the appropriation act, its authority is limited to the fiscal year involved, and consequently cannot be invoked after 30 June. State Department Allowance Circular No. 9 of 27 June 1949 points out this fact, and further that no new authority has been issued by Congress on which a new executive order could be based which would authorize the Secretary of State to continue these foreign allowances.

2. The Central Intelligence Agency Act of 1949 (Public Law 110 - ~~80th~~ 81st Congress) provides in Section 5(b) that, in accordance with such regulations as the President may prescribe, the Director is authorized to grant allowances in accordance with the provisions of section 901(1) and 901(2) of the Foreign Service Act of 1946. These sections provide for allowances for living quarters and utilities, temporary allowances for the cost of lodging on arrival, cost of living allowances at high cost posts or where extraordinary and necessary expenses are incurred, or for posts which require separation of families, and representation allowances.

3. It appears appropriate at this time to request the President to authorize the Director to grant allowances under Public Law 110, rather than on annual appropriation authorities, and this is carried out by the fact that foreign service allowances were specifically excepted from Section 204 of the Independent Offices Appropriation Act cited above.

4. If you concur, it is proposed to draft, in conjunction with the Executive, an authorization for submission to the White House which would in effect delegate to the Director full power to grant the allowances set forth in Section 901 of the Foreign Service Act, provided that, in so far as possible, regulations of the Secretary of State be adopted for the purposes of CIA. In addition to thus obtaining permanent authority, it would enable a more equitable system of allowances applicable equally to vouchered and unvouchered personnel.

5. I would appreciate your comments or concurrence at your earliest convenience. 25X1


Lawrence R. Houston**CONFIDENTIAL**

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1949 DEC 8 PM 1 36

1949 JUL 7

1949 JUL 5 PM 12 05

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